BC Housing

Service Plan

2003/2004 – 2005/2006

BRITISH COLUMBIA

103-03785/

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Message from the CEO

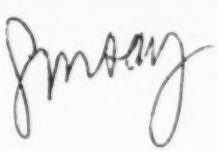
Communities across the province are facing a number of housing challenges. Our large urban centres continue to experience some of the highest housing costs in the country. In both Vancouver and Victoria, vacancy rates in the rental market are at or just slightly above one per cent. Despite this demand, private development of affordable rental housing has declined over the past decade.

The availability of safe, affordable and accessible rental housing, especially for low- and moderate-income individuals and families, plays a critical role in promoting opportunities for self-sufficiency and strengthening the ladder to home ownership. For some of our most vulnerable citizens – those with health and social concerns – access to affordable housing and other support services is vital to improving their quality of life and maintaining their independence.

BC Housing, together with our partners, is working to address the growing and changing housing needs in an environment where resources are limited, the public housing portfolio is aging and cost pressures are increasing. Traditional responses to funding, capital, and direct service delivery are no longer sustainable at current levels or in their current format. Our challenge is to design new ways of assisting people in the greatest housing need, while building and maintaining a housing system that can be sustained over the long term. Partnerships with the private sector, other levels of government and community groups will be central to meeting these challenges.

Addressing these issues with the guidance of the Core Services Review and Deregulation Task Force has been a priority for BC Housing over the past year. As part of the core services review process, the provincial government has undertaken the development of a broad housing policy. Central to this policy is the recognition that a healthy housing system is key to a prosperous economy, and that such a system is the underpinning of a supportive social infrastructure. A fundamental part of this policy is to optimize the use of the existing social housing assets, existing subsidies and related delivery structures to serve individuals and families most in need. As the primary agency responsible for achieving this, BC Housing will develop and implement an ambitious program to maintain our focus and achieve government's goals on behalf of people in housing need in the province.

In accordance with the *Budget Transparency and Accountability Amendment Act*, this Service Plan describes BC Housing's strategic goals for the next three years and how we plan to achieve those goals. It outlines the trends and challenges affecting our programs and services and describes the partnerships, means and strategies needed to ensure that BC Housing is a high-performing organization that fulfills our vision to *work in partnership to create housing options for those most vulnerable in our communities*. I am confident that this Service Plan reflects the energy and talent of those at BC Housing and our commitment to working together with our partners to tackle these challenges.



Shayne Ramsay
CHIEF EXECUTIVE OFFICER

Strategic Context

Our Core Values

- Home, Dignity, Community

Our Vision

- Working in partnership to create housing options for those most vulnerable in our communities

Our Guiding Principles

- Building alliances and partnerships
- Respecting community leadership and expertise
- Protecting the public investment
- Providing cost-effective solutions

Organization Review

BC HOUSING'S MANDATE*

The British Columbia Housing Management Commission (BC Housing) was created in 1967 through an Order in Council under the Housing Act to fulfill the government 's commitment to the development, administration and management of subsidized housing.

In addition, BC Housing also complies with the following legislation:
Budget Transparency and Accountability Amendment Act, [RSBC 2001] Chapter 29
Document Disposal Act, [RSBC 1996] Chapter 99
Community Care Facility Act, (RSBC 1996) Chapter 60
Continuing Care Act, (RSBC 1996) Chapter 70
Financial Administration Act, [RSBC 1996] Chapter 136
Financial Information Act, [RSBC 1996] Chapter 140
Freedom of Information and Protection of Privacy Act, [RSBC 1996] Chapter 165
Ministry of Lands, Parks and Housing Act, [RSBC 1996] Chapter 307
Ombudsman Act, [RSBC 1996] Chapter 340
Residential Tenancy Act, [RSBC 1996] Chapter 406
Shelter Aid For Elderly Renters Act, [RSBC 1996] Chapter 424

CORE BUSINESS ACTIVITIES AND SERVICES

BC Housing fulfills our mandate through the following core business activities:

- **Management of existing public housing and group homes**
- **Administration of housing programs and services**
- **Facilitation of an increased supply of subsidized housing**

In each of these core activities, BC Housing performs a stewardship role protecting the public interest and ensuring due diligence and accountability of public funds. BC Housing's head office is in Burnaby with regional offices in Penticton, Prince George, Vancouver and Victoria.

Business Overview

(Budget 2003/04)

FUNDING	CORE ACTIVITIES	PROGRAM EXPENSES	SERVICE ALLOCATION
Provincial Government $139.4 M Federal Government $89.4 M Public Housing Tenant Rent $29.2 M Provincial Supporting Ministries $13.9 M Other $4.0 M	Management of Public Housing and Group Homes Administration of Housing Programs and Services Facilitation of an Increased Supply of Affordable Housing	Operating Expenses for Public Housing $51.6 M Subsidies to Non-Profit and Co-operative Housing $175.3 M Rent Supplement Assistance $29.6 M Administration $19.4 M	Public Housing 7,800 Units Non-Profit and Co-operative Housing 33,200 Units Tenants Living in the Private Rental Market 15,100 Units
TOTAL REVENUE = $275.9 M	TOTAL FTEs = 328	TOTAL EXPENSES = $275.9 M	TOTAL UNITS = 56,100

** BC Housing's mission will be developed following the outcome of the government's Core Services Review*

ADMINISTRATION OF HOUSING PROGRAMS AND SERVICES

As a crown agency, BC Housing is responsible for the planning, management and delivery of a broad range of housing programs and services across the province. Programs are focused in two areas: subsidies to community-based non-profit and co-operative housing providers, and rent assistance to families and individuals to help them find appropriate housing in the private market that they can afford.

Non-profit housing owned and managed by community-based groups became the social housing model in the early 1970s when traditional public housing was discontinued. The majority of social housing stock across the province is delivered in partnership with 584 non-profit societies and 75 housing co-operatives. These groups are responsible for the management of 33,200 units of subsidized housing. BC Housing provides financial, administrative and technical support to these groups, administers long-term operating agreements, and manages the flow of housing subsidies.

The payment of housing subsidies is a contractual responsibility of the provincial government and represents approximately 60 per cent of BC Housing expenditures ($175.3 million in 2003). The subsidy budget peaks in 2004/05 reflecting the completion of 3,100 provincially funded housing units under the *Provincial Housing Program*, and nearly 3,000 of the 3,500 approved *Independent Living BC (ILBC)* units.

In administering housing programs, BC Housing's role is one of stewardship and accountability. BC Housing monitors the use of public funds to ensure that provincial housing resources are used as efficiently and effectively as possible.

The provision of targeted rent assistance and other housing assistance to 15,100 households in the private rental market is an important component of the province's housing program. Targeted programs such as Shelter Aid for Elderly Renters (SAFER) and Supported Independent Living (SIL), for people with a mental illness, give individuals and families the option to remain in their community and live in existing private rental housing.

MANAGEMENT OF EXISTING PUBLIC HOUSING AND GROUP HOMES

The efficient and cost-effective management of existing public housing developments and government-owned group homes is also a core business activity. The public housing stock is comprised of 7,800 units in 98 developments. It is some of the oldest social housing, and was predominantly constructed in the 1950s and 60s. This housing stock was built and managed by provincial governments (or their agencies) and cost-shared with the federal government. Today, more than 30 per cent of public housing is managed by the non-profit or private sectors. BC Housing will continue to explore opportunities to achieve efficiencies through third-party delivery.

The public housing stock increasingly serves a wide range of needs, particularly for people with health issues. For example, 640 people in the public housing portfolio with a mental illness have been housed under the BC Housing Health Services Program – delivered by BC Housing on behalf of the regional health authorities and the Ministry of Health Services. Other housing developments have been modified to meet the changing needs of existing clients. Partnerships with health authorities have resulted in the public housing stock being used as a stable base for clients where necessary support services can be provided as needed.

For those individuals who need additional support to live independently in their communities, BC Housing also provides administration and property management support for more than 600 group homes and special needs residences on behalf of other provincial ministries and health authorities (including shelters and transition houses).

On average, BC Housing responds to more than 70,000 housing inquiries per year from people who need affordable housing. There are more than 10,000 households on our applicant registry awaiting access/placement in public housing. The internet-based housing registry has made it easier for people to apply for subsidized housing and helps housing providers manage their applicant lists and eliminate duplication.

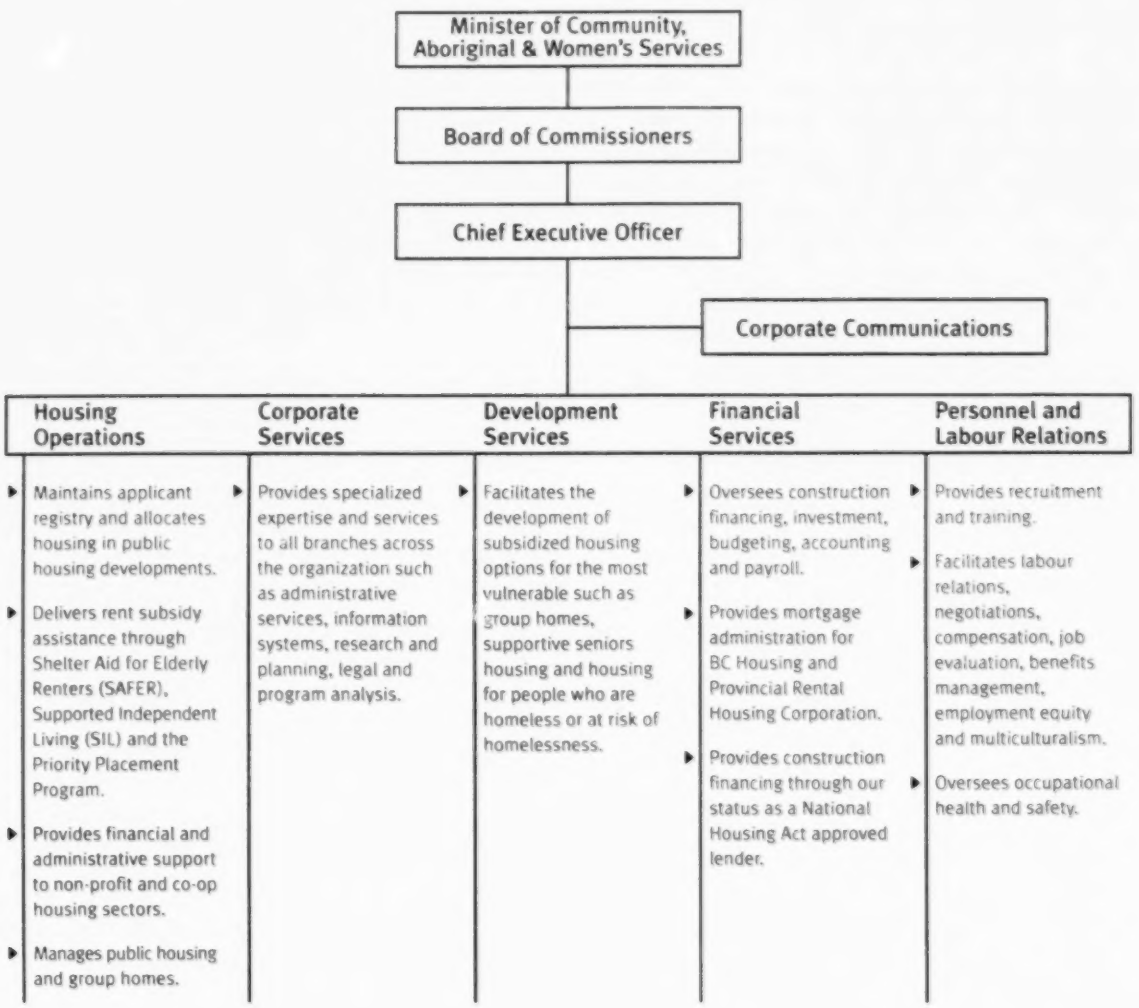
FACILITATION OF AN INCREASED SUPPLY OF SUBSIDIZED HOUSING

There has been a significant shift towards providing more community-based subsidized housing to assist those in need of housing and support in order to gain or maintain independence. A public-private partnership approach is used to create all new subsidized housing. The developments are owned and managed by non-profit/co-operative housing sponsors, designed and built by the private sector, and subsidized on an ongoing basis by the provincial government.

BC Housing is responsible for the delivery of two programs that increase housing options for the most vulnerable, for whom there are few real alternatives available in the private market. Since June 2001 the provincial government has committed funding for the construction of 3,300 units under the *Provincial Housing Program*, for a program total of 8,250 units. As well, by 2006, the newly-announced *Independent Living BC* program will provide 3,500 independent living spaces with support for frail seniors and persons with disabilities. The delivery of this new program will be based on the public-private partnerships and equity contributions that have characterized the delivery of the *Provincial Housing Program*. Since 1994, partners have contributed more than $100 million in grants, equity contributions, land discounts and other donations allowing for the creation of additional housing without additional provincial funding.

As a National Housing Act lender, BC Housing's capacity to provide low-cost construction financing through its Fiscal Agency Loan agreement with the Ministry of Finance is an important and effective contribution to increasing the supply of subsidized housing. In some circumstances, this capacity enables BC Housing to facilitate the development of new housing options that do not require ongoing subsidies. Long-term financing is provided by the private sector and carried as debt by the housing sponsor. BC Housing administers a mortgage portfolio of $1.5 billion for housing sponsors.

BC HOUSING'S ORGANIZATIONAL STRUCTURE


Minister of Community, Aboriginal & Women's Services
Board of Commissioners
Chief Executive Officer
Corporate Communications
Housing Operations
Maintains applicant registry and allocates housing in public housing developments.
Delivers rent subsidy assistance through Shelter Aid for Elderly Renters (SAFER), Supported Independent Living (SIL) and the Priority Placement Program.
Provides financial and administrative support to non-profit and co-op housing sectors.
Manages public housing and group homes.
Corporate Services
Provides specialized expertise and services to all branches across the organization such as administrative services, information systems, research and planning, legal and program analysis.
Development Services
Facilitates the development of subsidized housing options for the most vulnerable such as group homes, supportive seniors housing and housing for people who are homeless or at risk of homelessness.
Financial Services
Oversees construction financing, investment, budgeting, accounting and payroll.
Provides mortgage administration for BC Housing and Provincial Rental Housing Corporation.
Provides construction financing through our status as a National Housing Act approved lender.
Personnel and Labour Relations
Provides recruitment and training.
Facilitates labour relations, negotiations, compensation, job evaluation, benefits management, employment equity and multiculturalism.
Oversees occupational health and safety.

Planning Context and Key Strategic Issues

The External Environment

Current housing challenges include:

- **Fiscal pressures facing government**
- **Limited new private market rental housing construction**
- **Affordability challenges**
- **Increasing support needs of people in social housing**
- **Increasing levels of homelessness**
- **Building envelope failures**

FISCAL PRESSURES FACING GOVERNMENT

BC Housing is a taxpayer-supported crown agency. As such, we have a responsibility to achieve effective housing outcomes within a sustainable fiscal framework. Our organization will face significant budget pressures over the next three years to meet the government's commitment to a balanced provincial budget in 2004/05.

In order to achieve the budget targets in each of the next three fiscal years BC Housing must reduce staff, administration, operating expenses and capital asset maintenance costs. In addition, BC Housing will continue working with non-profit and co-operative housing providers to implement efficiencies and initiatives to contain subsidy requirements.

LIMITED NEW PRIVATE MARKET RENTAL HOUSING CONSTRUCTION

Since the early 1990s there has been a significant decline in the construction of purpose-built affordable rental housing. Private rental development accounted for only eight per cent of total starts in the past decade. This decline can be attributed to a broad range of factors including the high cost of land, lack of investor confidence and other factors that resulted in lower profit margins and lower returns on investment. An appropriate regulatory and tax system is key to an active and healthy private sector. The provincial government is currently examining ways to encourage private-sector investment in housing, so there is a range of housing choices.

The private sector meets the majority of the province's housing needs. However, housing demand in British Columbia is growing and is more varied than in the past, putting additional pressure on the housing market. An increasing and aging population, changing family size and composition, and the size and ethnic composition of major urban centres have all contributed to a changing and increasing demand on the market. As a result, our large urban centres continue to experience some of the most expensive housing in the country. It is anticipated that current demographic trends will continue to place pressures on the private rental market, especially in larger urban centres.

AFFORDABILITY CHALLENGES

Increasing housing costs and declining incomes among renter households are areas of growing concern. Current research suggests that there are approximately 167,600 households in British Columbia in core housing need. These households are unable to find housing in their community that meets their needs, and is in good repair, and without it costing more than 30 per cent of their income. More than one third (65,000) of those in core housing need pay more than 50 per cent of their income on rent. For most people with low incomes, their situation is exacerbated by high housing costs that leave limited disposable income for other necessities.

For many families, progress towards self-sufficiency is dependent on a number of factors including household income. Such families face obstacles that can be overcome through the assistance of affordable housing. For persons with disabilities, progress towards self-sufficiency can be made by finding appropriately designed housing. For people who are retired or live on a fixed income, progress towards self-sufficiency can be achieved through housing opportunities and supportive services that maximize independence.

INCREASING SUPPORT NEEDS OF PEOPLE IN SOCIAL HOUSING

Social housing is home to many people who need a range of housing and support options to allow them to maintain their independence. This includes individuals with chronic and persistent mental illness and substance misuse issues, as well as women and children fleeing abusive relationships.

Through time, social housing, and in particular public housing, has become the housing of last resort. BC Housing works with various ministries and agencies that deliver support programs to create synergies and better outcomes for residents of social housing. An example is the Addiction Recovery Program, delivered in partnership with the Vancouver Coastal Health Authority. The program ensures that there is subsidized housing and support services available to people with low incomes in transition from drug and alcohol addiction, once they have completed detox.

Responding to the changing needs of an aging population is another key challenge. The percentage of British Columbians who are 65 and older is projected to increase 22 per cent from 550,000 to 670,000 by 2010. Their housing needs will change as they progress through different stages of their lives. This is particularly important as BC Housing works to respond to demographic changes alongside the demand for physically accessible housing and housing linked with supportive services. Currently, 4,380 of the 7,800 public housing units are for seniors. Of the seniors living in these units, one in six is over the age of 80.

INCREASED LEVELS OF HOMELESSNESS

A growing number of people are homeless or at risk of homelessness due to an array of factors. These include an inability to afford anything except poor quality housing; discrimination in the housing market particularly if they have dependence or mental health issues; and/or the need for additional assistance to find and maintain their housing.

Of the 56,000 subsidized housing units administered by BC Housing:

- *69% are for low-income seniors or individuals with special needs.*
- *23% are for families including some that are working poor and many that are on income assistance; and*
- *8% are for low-income singles – many on income assistance, including some on disability pensions but who are able to live semi-independently with separately delivered community supports.*

While the homelessness crisis in BC has not reached the acute stages that it has in other parts of the country, the number of people living on the streets is growing. In Vancouver alone, there is estimated to be between 600 to 1,000 homeless people, with increasing numbers living in the surrounding municipalities, such as Surrey and New Westminster. The growing number of homeless has placed increasing pressure on shelter providers with available data suggesting that about 500 people are turned away each month by Vancouver's four largest shelters. There is also increasing evidence to suggest that the numbers of homeless people in Victoria, Nanaimo, Prince George, Kelowna and Kamloops is growing.

An effective response to the needs of those who are homeless requires a broad range of strategies including crisis/emergency services as well as transitional and re-integrative strategies. It also includes the development of a continuum of housing and support options designed to assist individuals in making the transition from homelessness to permanent housing. Since the inception of the *Provincial Housing Program*, BC Housing has worked in partnership with non-profit societies, the private sector and the three levels of government to address homelessness through the development of about 2,300 units of housing for Homeless At Risk and Lower Income Urban Singles.

1,121 people, including 71 children, were recorded as being homeless during a 24-hour period in January 2001.

Homeless Report, Greater Vancouver Regional District, 2001

BUILDING ENVELOPE FAILURES

The leaky condominium problem has also impacted the provincial social housing portfolio. Social housing built and managed by the non-profit housing sector was subject to the same factors that contributed to the building envelope failures in the private market.

In partnership with the non-profit sector, BC Housing undertook a large-scale examination of buildings in the Lower Mainland. During the study 166 buildings were identified as experiencing some type of failure and about 50 require significant levels of remediation. A similar building envelope study is underway on Vancouver Island and is projected to be completed by May 2003. To date, 22 buildings on Vancouver Island have been identified as potentially requiring repair.

A comprehensive repair program was initiated in 1998/99. The total estimated cost of repairs is approximately $100 million subject to completion of all detailed assessments. Government mandated budget reductions impact the building envelope repairs budget in 2005/06 and beyond, resulting in delays to the targeted completion of the repair program. The delays are expected to be manageable, however, as repairs to the most seriously water damaged buildings are expected to be completed prior to 2005/06. Currently more than 50 buildings have either been repaired or are in the process of being repaired in the Lower Mainland and Vancouver Island.

A cost recovery strategy has been initiated with the co-operation of those non-profit and co-operative housing providers affected. The objective of this strategy is to mitigate the cost of the building envelope repairs by securing financial contributions from the parties responsible for the original design, construction and inspection of the buildings. All possible avenues of resolution will be considered with affected parties.

The Internal Environment

Key challenges within BC Housing's internal environment include:

- **Providing effective responses to housing need in the current fiscal environment**
- **Responding to priorities emerging through core services review**
- **Aging social housing stock**
- **Successfully managing change**

PROVIDING EFFECTIVE RESPONSES TO HOUSING NEED IN THE CURRENT FISCAL ENVIRONMENT

The management response to a challenging financial environment includes strategies to streamline and improve program administration and reduce administrative and operating expenses. This requires a reassessment of both the ownership and management of government-owned housing as well as our relationship with non-profit and co-operative housing sponsors.

In order to create a thoughtful administrative approach stimulated by a modern performance management and incentive-based system, BC Housing will continue to refine our administrative responsibilities. The goal is to reduce the complexity and cost of those responsibilities while maintaining appropriate oversight of government resources and improving overall program co-ordination. We plan to work with our partners co-operatively to respond to resource constraints in ways that will inspire community based housing providers to be creative and efficient.

RESPONDING TO PRIORITIES EMERGING THROUGH CORE SERVICES REVIEW

BC Housing, like all crown corporations, agencies, boards and commissions, is participating in the provincial core services review process. This process has been primarily focused on whether programs and services provided by BC Housing are affordable and whether an entity other than BC Housing would be better suited to deliver them.

Addressing these issues with the guidance of the Core Services Review and Deregulation Task Force has been a priority for BC Housing over the past year. As part of this process, government has undertaken the development of a broad housing policy which recognizes that a vibrant housing system is a vital component of a prosperous economy and social infrastructure.

As the primary agency responsible for achieving the government priority to provide housing options for those most in need, BC Housing will develop and implement strategies to maintain its focus and achieve government's goals on behalf of people in housing need in the province. Any changes in mandate or the delivery of programs and activities arising from the core services review will be reflected in BC Housing's 2004/05 service plan.

AGING SOCIAL HOUSING STOCK

Much of the public housing stock built in the post-war decades is now dated, ill-suited for households currently on the applicant registry, and fails to meet energy efficiency and other environmental criteria. One-size-fits-all housing solutions are no longer appropriate given the increasingly diverse and complex nature of housing demand.

Although an aging social housing portfolio creates upward pressure on BC Housing's budget, BC Housing will continue to maintain and improve the public housing stock in the short term to ensure health and safety standards are met. Planned spending on capital asset maintenance for public housing alone totals nearly $33 million over the next three fiscal years. Over the long term, BC Housing recognizes that redevelopment is a more effective strategy than sustaining the high cost of maintaining and improving functionally obsolete buildings. It is anticipated that renewed discussions with the federal government may result in an agreement that gives BC Housing full ownership thereby creating opportunities to partner with the private sector and community based groups to regenerate the public housing stock.

Future redevelopment initiatives have wide-ranging policy and management issues related to increased demand, roles and responsibilities of staff, appropriate building amenities and access to support services. This will require building effective and integrative partnerships with tenants, community organizations and the private sector to support those with more complex housing and health needs.

SUCCESSFULLY MANAGING CHANGE

BC Housing, like all areas of government, will continue to operate in an environment of significant change. This means that it is important to continually examine our business activities, management style, methods and processes to identify opportunities to strengthen and improve the programs and services we deliver. This includes searching for additional opportunities to streamline and consolidate existing administrative activities as well as taking full advantage of technology in order to respond quickly and flexibly to ongoing changes.

At the same time, we must be responsive to the changing needs of our social housing partners and social housing residents. If we are to succeed in this area, we must provide staff with the support they need to meet the challenges of change and work to mitigate any direct effects from that change. A staff reduction of 81 positions by 2005/06 is required under our existing budget, and will be implemented wherever possible through attrition. Additional staff reductions may also be required as a result of directions coming out of BC Housing's core services review. Strategies will be developed to reduce the impact of these reductions on staff and stakeholders.

Goals, Objectives, Key Strategies 2003/04 – 2005/06

The provincial government's strategic plan is the guiding document for government, outlining government's goals for a vibrant economy, a supportive social infrastructure and safe, healthy communities. It is the umbrella plan for individual ministries and crown agencies. The government's 2002/03-2004/05 Strategic Plan recognizes that the health of our communities is equally important to our economic prosperity, our individual well-being and the sustainability of our environment. Government is committed to promoting communities in which diversity is valued. A strategy that is key to achieving this goal is to focus social housing policy and services on the needs of clients, offering greater flexibility and choices.

BC Housing is the primary agency responsible for achieving this strategy and fulfilling government's housing vision: to optimize the use of the existing social housing assets, existing subsidies and related delivery structures to serve individuals and families most in need. To achieve this, BC Housing will implement four distinct yet integrated goals over the next three years:

1. Increased housing options

2. Client-focused service delivery for those most in need

3. Sustainable local housing solutions

4. A high performing organization

This new plan builds upon the successes and lessons learned while implementing last year's service plan and assumes a minor increase to the budget between 2003/04 and 2004/05 and a capped provincial contribution of $142.4 million thereafter. Among other changes, we have clarified the outcomes we seek to achieve, as well as the data we use to measure our progress. We will continue to review and strengthen this plan by better identifying outcomes through outreach to staff and stakeholders and by improving the scope and accuracy of the data we collect.

BC Housing has established performance-based management throughout the organization by developing and implementing business and operating plans for each branch of the organization. These internal plans set targets for the programs and activities that are designed to align with the performance measures and targets set out in this plan.

This work will assist us in fulfilling the commitment to provide an annual Service Plan report to British Columbians and the legislature. The report will include comparisons of planned and actual results, so that taxpayers can monitor our performance and progress, and hold us accountable for our commitments.

GOAL 1 INCREASED HOUSING OPTIONS

Increasing the availability of housing for those in the greatest need is at the heart of BC Housing's vision. The variation in the housing needs of different communities and client groups presents challenges and requires targeted efforts. For the growing number of seniors, and in particular frail seniors, there is an increased demand for housing options that meet their special needs, including housing with supportive services. This shift towards providing housing options for those in need of both housing and support in order to retain or gain independence extends to persons with physical and mental disabilities, those at risk of homelessness and women and their children fleeing abusive relationships.

Objectives

- Direct new resources to increase housing options for the province's most vulnerable citizens.
- Lever existing assets to generate additional housing.
- Establish partnerships with community organizations, the private sector, local government and other ministries to create additional locally-based housing options.

Key Strategies

- Completion of units committed under the *Provincial Housing Program.*
- Delivery of *Independent Living BC.*
- Redevelopment and regeneration of existing social housing assets.
- Identification of opportunities to partner with the non-profit and private sectors in the development of housing options that do not require on-going government subsidy.

Performance Measures*	2003/04 Targets	2004/05 Targets	2005/06 Targets
Number of additional units provided[1]	1,114 units	1,271 units	1,095 units
Number of additional units levered through innovative strategies and partnership initiatives[2]	Minimum of 10% of program-based target (n=110 units)	Minimum of 12% of program-based target (n=153 units)	Minimum of 15% of program-based target (n=164 units)
Equity contributions levered under the *Canada-BC Affordable Housing Agreement*[3]	$14,734,000	$23,700,000	$6,325,000
Equity contributions levered from other sources including housing providers and other government partners[4]	Minimum of 10% of capital costs	Minimum of 12% of capital costs	Minimum of 15% of capital costs

** End notes are provided on pages 17 and 18*

GOAL 2 CLIENT-FOCUSED SERVICE DELIVERY FOR THOSE MOST IN NEED

The 7,800 units of public housing in British Columbia are jointly owned by the federal and provincial governments and managed by BC Housing. Our challenge is to optimize this limited supply of housing to benefit those in the greatest need. Over the next three years, BC Housing will ensure that public housing provides vulnerable citizens with housing and services that are responsive to individual choice.

Objectives

- Provide access to well-managed public housing.
- Ensure the long-term quality and viability of the public housing stock.
- Maximize housing options through the public housing portfolio for those with complex housing and health needs.

Key Strategies

- Successful placement of tenants in public housing through an effective process.
- Efficient management of public housing through a progressive capital planning process and sound maintenance practices.
- Optimize the use of the public housing stock to ensure that it is conducive to the placement and support of clients with complex housing and health needs.
- Ensure that our management is responsive and client focused through periodic surveys.

Performance Measures*	2003/04 Targets	2004/05 Targets	2005/06 Targets
Families and individuals assisted through access to public housing[1]	7,800 families and individuals	7,800 families and individuals	7,800 families and individuals
Applicants housed as a result of turn over in public units[2]	1,170 units	1,170 units	1,170 units
Families and individuals with complex housing and health needs assisted through access to public housing[3]	15% of units that turn over in the public housing portfolio	17% of units that turn over in the public housing portfolio	20% of units that turn over in the public housing portfolio
Vacancy rate in the public housing portfolio[4]	3% of active vacancies	3% of active vacancies	3% of active vacancies
Average time taken to collect tenant rents[5]	97% of rent collected within 15 working days of the first of the month	97% of rent collected within 15 working days of the first of the month	97% of rent collected within 15 working days of the first of the month
High levels of tenant satisfaction captured through periodic surveys[6]	Minimum of 75% of tenants reporting that they are satisfied	Minimum of 77% of tenants reporting that they are satisfied	Minimum of 79% of tenants reporting that they are satisfied
Funding allocated to modernization and improvement projects[7]	Minimum of 90% of planned projects completed in at least 85% of developments	Minimum of 90% of planned projects completed in at least 85% of developments	Minimum of 90% of planned projects completed in at least 85% of developments

* *End notes are provided on pages 17 and 18*

GOAL 3 SUSTAINABLE LOCAL HOUSING SOLUTIONS

BC Housing delivers a range of housing programs and services that assist people in transition from poverty to self-sufficiency. Programs and services include financial, administration and technical assistance provided to the non-profit and co-operative housing sectors as well as targeted rent assistance provided to households in the private rental market. In the administration of these programs, BC Housing's role is one of stewardship and accountability with an emphasis on working in partnership with local housing providers to create sustainable housing solutions. BC Housing also provides support where necessary to the non-profit and co-operative housing sectors, while at the same time respecting the professionalism and expertise that exists within the sector.

Objectives

- Effective planning, management and delivery of housing programs and services.
- Provision of affordable housing options to those most in need in the private rental market.
- Respect and support the expertise and local autonomy of community-based housing providers.

Key Strategies

- Maintain appropriate oversight of government resources while improving overall level of program co-ordination.
- Provide subsidies to non-profit and co-operative housing providers through a performance management and incentive-based system.
- Provide co-ordinated access to social housing through an internet-based housing registry.
- Delivery of rent supplement assistance to households living in the private rental market.

Performance Measures*	2003/04 Targets	2004/05 Targets	2005/06 Targets
Subsidies provided to housing providers[1]	$175.3M	$177.6M	$174.2M
Households assisted through non-profit and co-operative housing[2]	33,200 households	34,100 households	35,200 households
Decreased levels of review for housing providers that have demonstrated effective management[3]	Less than 10% of housing providers requiring a high level review and support	Less than 10% of housing providers requiring a high level review and support	Less than 10% of housing providers requiring a high level review and support
Assistance to households in the private rental market[4]	15,100 households	15,600 households	15,600 households
Effectively respond to applicant inquiries[5]	90% of total number of new housing applications processed within 10 working days	90% of total number of new housing applications processed within 10 working days	90% of total number of new housing applications processed within 10 working days
Increasing provider participation in the Housing Registry[6]	A year-over-year increase of 5% in the number of housing providers	A year-over-year increase of 5% in the number of housing providers	A year-over-year increase of 5% in the number of housing providers
Competitive rates for all mortgages renewed or placed[7]	Average of 50 to 100 basis points below comparable market residential pools	Average of 50 to 100 basis points below comparable market residential pools	Average of 50 to 100 basis points below comparable market residential pools

* *End notes are provided on pages 17 and 18*

GOAL 4 A HIGH PERFORMING ORGANIZATION

For BC Housing to achieve our vision, we must continually demonstrate the organizational competence and capacity to deliver effective and responsive programs and services to those in need. We will also continue to make improvements to simplify and reduce our administrative processes. New investments, particularly in information systems, support streamlined work processes. BC Housing will continue to provide integrated services that connect clients and stakeholders how and when they wish. Throughout this plan we will remain committed to new and proven strategies that will empower our workforce, improve our data and satisfy our stakeholders.

Objectives

- Maintain a professional and committed workforce that is responsible to and reflective of the diversity of the communities where we live and work.
- Manage technology effectively in order to maximize productivity and provide the highest standards of customer service and access to information.
- Ensure that the functions of the organization are carried out according to government priorities, legislated requirements, and broader social policy objectives.

Key Strategies

- Effective human resource management including recruitment, retention and promotion initiatives that support the goals of human rights, employment equity, multiculturalism and diversity.
- Efficient use of information technology and information management.
- Demonstrated commitment to excellence, integrity and continuous improvement.

Performance Measures*	2003/04 Targets	2004/05 Targets	2005/06 Targets
Maintain a skilled workforce[1]	53% of staff participating in voluntary training opportunities	60% of staff participating in voluntary training opportunities	65% of staff participating in voluntary training opportunities
High levels of perfect attendance[2]	20% of staff with perfect attendance	20% of staff with perfect attendance	20% of staff with perfect attendance
Success in maintaining a diverse workforce[3]	Meet or exceed targets representative of provincial demographics as set out in the Employment Equity Plan	Meet or exceed targets representative of provincial demographics as set out in the Employment Equity Plan	Meet or exceed targets representative of provincial demographics as set out in the Employment Equity Plan
Increased use of technology to enhance productivity and improve operational outcomes[4]	Successful development of e-government initiatives	Successful development of e-government initiatives	Successful development of e-government initiatives
Carry out functions as specified in the shareholder's letter[5]	100% of requirements fulfilled	100% of requirements fulfilled	100% of requirements fulfilled
Compliance with relevant acts and legislation[6]	100% compliance	100% compliance	100% compliance

** End notes are provided on pages 17 and 18*

END NOTES: POINTS OF CLARIFICATION ON PERFORMANCE MEASURES

Included in this section is information on how the various measures were derived as well as information on their use in terms of gaining a better understanding the day-to-day activities within BC Housing. In keeping with the requirements set out in the Crown Agencies Secretariat service plan guidelines, this section also provides a brief explanation of changes in specific measures and targets.

GOAL 1 - INCREASED HOUSING OPTIONS

1. The targets that have been set are based on the budget projections and reflect the anticipated number of units to be completed over the planning period. The Service Plan targets for the planning period have been adjusted downward to reflect delays in the completion of some units in 2002/03.

2. Both the measure and target have been adjusted to better capture key data related to BC Housing's ability to expand the range of available housing options through a variety of innovative strategies and approaches. This includes redevelopment, regeneration and reinvestment initiatives as well as a broad range of partnership initiatives designed to respond to local housing needs. The target that has been set for 2003/04 reflects a commitment to lever an additional 10 per cent of units, with the goal being to continue to increase this number in future years.

3. Improvements and refinements have been made to this measure and targets to better reflect the various forms of potential equity contributions to be made available through the *Canada-BC Affordable Housing Agreement*.

4. This measure reflects the potential equity contributions to be generated through partnership initiatives with local governments, housing providers and other provincial ministries.

GOAL 2 - CLIENT-FOCUSED SERVICE DELIVERY FOR THOSE MOST IN NEED

1. This output measure is related to the public housing stock. It helps provide important baseline information for subsequent measures reported in this section as well as better understanding and reporting on sectoral performance.

2. Based on historical data, approximately 15 per cent of the units in the public housing portfolio turn over in a given year. This is roughly comparable to the rate of turn over in the private rental market where approximately 20 per cent of households move annually.

3. In keeping with the directions set out in government's strategic plan, one of the goals is to focus social housing policy and services on the needs of clients, offering greater flexibility and choice (Provincial Government Strategic Plan: 2002/03-2004/05:18). This measure is based on the number of units to turn over and is designed to optimize the use of the existing public housing stock in responding to families and individuals with complex housing and health needs. As units turn over they are offered to families and individuals on BC Housing's applicant registry.

4. This is an operational measure that is comparable to the private market benchmark of 2.5 per cent.

5. This is an operational measure designed to track and report on the overall efficiency of BC Housing's rent collection processes as well as to provide important information and data for BC Housing's overall approach to arrears management.

6. This is a general measure that will be incorporated into BC Housing's annual review process to measure the overall level of tenant satisfaction with the quality of their housing and the responsiveness of housing management. This measure is benchmarked against existing information related to general satisfaction levels in other social housing developments as well as general satisfaction levels reported among tenants living in housing in the private rental market.

7. This is a measure related to BC Housing's success in maintaining the quality of the housing stock through its Maintenance and Improvement program. This measure includes two components. This first captures BC Housing's success in completing projects on time and within budget while the second measure captures the extent to which work is being carried out across developments. The measures captured in this Service Plan are supported by three-year plans that are maintained and updated every year.

GOAL 3 - SUSTAINABLE LOCAL HOUSING SOLUTIONS

1. This measure reflects the subsidies provided to non-profit and co-operative housing providers.
2. This output measure reflects the number of households assisted through access to non-profit and co-operative housing. This number is projected to increase over the planning period as new units reach completion under the *Provincial Housing Program* and *Independent Living BC*.
3. This composite measure has been designed to enable staff to better target the level of assistance and review provided to housing providers. The goal is to identify those housing providers who require the greatest level of assistance in order to promote sustainability and self-sufficiency. It should also be noted that the development of the housing provider profile has replaced a previous measure which was to have a minimum of 90 per cent of all housing providers within approval guidelines.
4. BC Housing provides targeted housing assistance to families and individuals living in the private rental market. The measure that is reflected includes assistance provided to seniors under the Shelter Aid for Elderly Renters (SAFER) program as well as assistance provided to those with a mental illness under the Supported Independent Living program (SIL). Also included are 1,000 additional units to be delivered under the *Independent Living BC* program.
5. This measure reflects the internal service standard that has been adopted by staff in Housing Services.
6. Staff in Housing Services work with housing providers in the development of an internet-based housing registry which will make it easier for applicants to apply for housing.
7. This measure is tied to BC Housing's ability to obtain competitive interest rates through the bulk tendering of mortgages which in turn contributes to the effectiveness of the non-profit and co-operative housing sectors and reduces the longer term costs to government.

GOAL 4 - HIGH PERFORMING ORGANIZATION

1. This measure is designed to provide opportunities to build on the core competencies of staff in a way that will enhance our effectiveness as an organization.
2. Low levels of staff turn over and high levels of perfect attendance are general measures of how staff are feeling about the work that they do.
3. To measure our success in maintaining a diverse workforce, BC Housing continues to track and report on the diversity of groups represented through our current recruitment practices with the goal being to meet or exceed the provincial targets or benchmarks for designated groups.
4. The investment in technology-based solutions designed to strengthen and support current business activities is a key organizational priority. Key priorities for 2003/04 include refining the Housing Provider Profile, refining the Housing Registry and promoting its use within the housing sector, and improving BC Housing's financial reporting. Success of technology-based initiatives would be measured and reported on a case by case basis tied to a specific business case and specific project goals and outcomes.
5. A specific action plan will be developed to enable BC Housing to successfully fulfill all of the requirements set out in the shareholder's letter, with the goal being to have 100 per cent of the requirements fulfilled.
6. In addition to being committed to 100 per cent compliance to relevant legislation, a key organizational priority includes reviewing proposed legislative changes to identify potential areas of risk.

Summary Financial Outlook

(in thousands of dollars)	2002/03 APPROVED	2003/04 BUDGET	2004/05 FORECAST	2005/06 FORECAST
REVENUES	$	$	$	$
Provincial Share	128,051	139,349	142,406	142,406
Federal Share	95,623	89,338	90,072	79,024
Other	47,391	47,164	48,103	49,015
Total Revenues	**271,065**	**275,851**	**280,581**	**270,445**
EXPENDITURES				
Direct Managed Housing	53,183	51,599	50,859	43,704
NP & Housing Co-operatives	168,288	175,290	177,696	174,157
Rent Supplement Assistance	29,294	29,559	32,214	32,697
Administration	20,300	19,403	19,812	19,887
Total Expenditures	**271,065**	**275,851**	**280,581**	**270,445**

RISK FACTORS IMPACTING THE SERVICE PLAN BUDGETS

Key assumptions and risks/sensitivities associated with the financial projections are:

Key Assumptions	Forecast Risks and Sensitivities
A 6.1% mortgage rate is assumed for all years.	A 1% increase above the budgeted rate increases housing subsidies by about $4M in 2003/04 and up to $5M in 2005/06. (Mortgage principal and interest payments are the largest subsidy component).
The estimated cost to complete the building envelope repair program is $65M. Implementation of budget reductions in 2005/06 have moved the target completion date forward from 2008/09 to 2010/11.	Cost estimates are subject to revision pending completion of detailed assessments of Vancouver Island buildings. Significant cost increases and delays to repairs already planned could further delay the target completion date resulting in more serious building deterioration.
Assumes completion of new units as follows: 2003/04: HOMES BC 614, ILBC 500 2004/05: HOMES BC 71, ILBC 1,200 2005/06: ILBC 1,095	An 11% increase in provincial funding between 2002/03 and 2005/06 is required to facilitate completion of new units.
Subsidized housing tenants (including those receiving BC Benefits) pay 30% of their gross income as rent.	A 1% reduction in family incomes reduces tenant rent revenues by $1.2M for public housing and non-profit housing.
Capital asset maintenance budget has been significantly reduced in 2005/06 to meet cost reduction targets. Redevelopment of public housing stock can mitigate impact of cost reductions.	Redevelopment of public housing stock is contingent upon successfully concluding a devolution agreement with CMHC that transfers full ownership to BC Housing.
The CPI inflation rate assumption is 2% for 2003/04; 2.1% for 2004/05; and 2.0% for 2005/06.	A 1% increase in CPI higher than budgeted increases expenses by $0.8M annually.
Federal funding through CMHC cost sharing agreements declines by 21% between 2002/03 and 2005/06 because of planned administrative and capital asset maintenance (including building envelope repairs) cost reductions.	Federal funding (about 2/3 of eligible costs) is contingent upon BC Housing's expenditures for administration, public housing, and cost shared non-profit subsidies. Delays in achieving reductions increases both federal and provincial funding requirements.

Glossary

Core Need: Canada Mortgage and Housing Corporation produces annual Core Need Income Threshold tables (CNITs) for each community. CNITs set maximum income levels for different sized units in different areas of the province. These incomes represent the most people can earn and remain eligible for a rent subsidy. Below these income levels, it's difficult for people to find housing that is not crowded and in good repair, without spending more than 30 per cent of their income on rent.

Independent Living BC: This is the province's housing for health program for seniors with low to moderate incomes, and people with disabilities. *Independent Living BC* will create 3,500 independent living units through BC Housing in partnership with the regional health authorities, the Canada Mortgage and Housing Corporation, and the private and non-profit sectors. The program is part of the provincial government's New Era commitment to add 5,000 intermediate and long-term care beds across the province by 2006. *Independent Living BC* encompasses two types of housing: independent housing with some support services, and assisted living for those who need a greater level of care.

Housing Provider: Non-profit housing societies and housing co-operatives, which own and manage affordable housing developments. This term can also include private market landlords, through which BC Housing provides rent supplements to low and moderate income households.

Operating Budget: An operating budget is the annual budget for a non-profit or co-operative housing development. The budget forecasts costs for operating a development, based on income and expenses, and is used to determine how much subsidy BC Housing provides each month to run the building.

Subsidized Housing: This type of housing encompasses all types of housing in which the provincial government provides some type of subsidy or rent assistance, including rent supplements for people living in private market housing. It includes emergency housing and short term shelters.

Provincial Rental Housing Corporation (PRHC): The Provincial Rental Housing Corporation owns real estate for social housing, and leases the land to non-profit societies and housing co-operatives.

Public Housing: This housing is jointly funded by the provincial and federal governments and predominantly managed by the provincial government. It includes some of the oldest social housing in Canada and was predominantly constructed in the 1950s and 60s.

Social Housing: This housing includes both public housing and housing owned and managed by non-profit and co-operative housing providers.

Subsidy: BC Housing advances monthly subsidies to organizations to cover the costs of operating social housing developments. The amount of the subsidy is based on the operating costs set out in the annual budget, less the total rents/housing charges collected from residents. Subsidy payments include rent subsidies/repayable assistance, and cover the mortgage payments, building maintenance and other shelter-related costs.

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Further information about BC Housing is available on the Internet at www.bchousing.org